

SB 556 A STAFF MEASURE SUMMARY

Senate Committee On Rules

Action Date: 04/27/23

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 5-0-0-0

Yeas: 5 - Hansell, Knopp, Lieber, Manning Jr, Steiner

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 4/20, 4/27

WHAT THE MEASURE DOES:

Defines “maintenance cost.” Prohibits Department of Human Services (DHS) from using funds, benefits, payments, proceeds, settlements, awards, inheritances, wages, or any other moneys received by DHS, on behalf of child in its custody for purpose of maintenance costs, except for moneys received pursuant to a child support order or as otherwise specifically required by federal or state law, court order, or other legal instrument. Directs DHS to establish separate accounts for each child’s benefits, payments, proceeds, settlements, awards, inheritances, wages, or any other moneys. Requires DHS to administer accounts in collaboration with the State Treasurer in best interest of the children and in compliance with any applicable state or federal law, court order or other legal instrument. Permits DHS to make distributions from account for specific expenditures. Permits DHS to direct funds into trust account, subaccount of a trust account, or specific privately held accounts at request of child or child’s attorney or representative. Allows agencies to take action prior to operative dates. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Benefits barriers if benefits are deposited into checking or savings accounts
- Intended use and establishment logistics of trust fund with the Department of the Treasury
- Processes for different benefits and differences between different benefit programs

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

According to a 2021 report by the Congressional Research Service, about 10 percent of foster youth in the U.S. are entitled to Social Security benefits. About 27,000 children in foster care per year (about five percent of all children in foster care) receive benefits from the Supplemental Security Income (SSI) or the Social Security program based on their disability or due to retirement, disability, or death of an insured parent. These children are placed in the custody of a state child welfare agency which has responsibility for placement and around-the-clock care. ORS 419B.373 specifies the duties and authority of a legal custodian in the state of Oregon. A legal custodian can be a person, agency, or institution having legal custody of an individual. The legal custodian has physical custody and control of the ward; supplies food, clothing, shelter, and incidental necessities; provides care, education, and discipline; authorizes medical, dental, psychiatric, psychological, hygienic, or other remedial care; reports and informs the court as required; applies for Social Security benefits, public assistance or medical assistance to which the individual is otherwise entitled and use the benefits or assistance to provide for the care of the ward. The agencies also receive and manage the SSI/Social Security benefits on the child’s behalf. The benefits are considered the child’s property under federal law (for example, about \$700 per month on average for survivor

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benefits). Social Security Administration data for 2018 indicates 38 states and the District of Columbia used about \$179 million in SSI/Social Security benefits received on behalf of children in foster care to offset child welfare agencies' cost of providing care for those children.

Senate Bill 556 A prohibits the Department of Human Services to use funds, benefits, payments, proceeds, settlements, awards, inheritances, wages, or any other moneys received by DHS on behalf of a child in its custody for the purpose of maintenance costs, except for moneys received pursuant to a child support order or as otherwise specifically required by federal or state law, court order or other legal instrument.